

CONSULTING GROUP

**A Postretirement Welfare Benefit
GASB 45 Actuarial Valuation
As of July 1, 2007**

For:

**Town of Amherst, Ma.
and Amherst
Elementary Schools**

Prepared by:
The USI Consulting Group

October 27, 2008



CONSULTING GROUP

October 27, 2008

Town of Amherst
4 Boltwood Ave.
Amherst, MA 01002

RE: July 1, 2007 Actuarial Valuation of Postretirement Welfare Benefits

We enclose the report covering the actuarial valuation of the postretirement medical insurance plan for the employees of the Town of Amherst, Ma. and Amherst Elementary Schools as of July 1, 2007. The numbers presented in this report reflect the adoption, by the Town of Amherst, Ma. and Amherst Elementary Schools, of the Statement of Governmental Accounting Standard No. 45 (GASB 45).

The financial results of the actuarial valuation are summarized in the report. The Executive Summary highlights the results of the valuation, including the calculation of the Annual OPEB Cost (expense) for the fiscal year beginning July 1, 2007, \$5,719,050 which is based on a 30 year amortization of the UAAL as of July 1, 2007. The 30 year calculation represents the *maximum* amortization period allowed under the parameters of GASB 45 and produces the *minimum* Annual OPEB Cost under GASB 45.

Additional information summarizing census information, actuarial assumptions, and the methodology for developing them, as well as a glossary of selected terms used in this study, are also included in the report.

All calculations are made in accordance with our understanding of the provisions of the Statement of Governmental Accounting Standards Board Number 45 (GASB 45). We believe this report provides all of the information your auditor requires. We would appreciate a copy of the footnote to your financial statement related to the postretirement benefits.

Respectfully submitted,

USI Consulting Group

A handwritten signature in cursive script that reads "Robert W. Webb".

Robert W. Webb, FSA, EA, MAAA
Vice President and Actuary



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Section I

Executive Summary

The section presents the results of the July 1, 2007 valuation. The first section provides a brief summary of the valuation results. The Executive Summary Detail provides a more detailed development of the expenses and liabilities. Items I through IV show the development of the Annual Required Contribution (ARC). Items V through VIII show the calculation of the Annual OPEB Cost. Item X provides a brief summary of the key assumptions used in developing the plan's costs and liabilities.

EXECUTIVE SUMMARY

Introduction

This report details the development of the Annual OPEB Cost for the Fiscal Year ending June 30, 2008. Estimated June 30, 2008 disclosures are included in Section III

The liabilities developed in this report are only valid for purposes of meeting employer accounting requirements as required by Statement of Governmental Accounting Standards Number 45 (GASB 45). Liabilities developed for other purposes could be significantly different than those shown in this report.

Summary of Results

The Actuarial Accrued Liability and Normal Cost are calculated as of the valuation date. The Annual OPEB Cost and Expected Benefit Payments are for the year beginning on the valuation date. Additional detail is developed in the exhibits included in this actuarial valuation report.

<u>Valuation Date</u>	<u>July 1, 2007</u>
<i>Present Value of Future Benefit Payments</i>	\$101,823,473
<i>Unfunded Actuarial Accrued Liability (UAAL)</i>	\$68,990,212
<i>Annual Required Contribution (30 year amortization)</i>	\$5,719,050
<i>Expected Benefit Payments</i>	\$1,938,267
<i>Net OPEB Obligation (NOO)</i>	\$0

Economic Assumptions

The employer, with the approval of the auditor, is responsible for selecting the economic assumptions as of the disclosure date. The following table details the selected economic assumptions for the current fiscal year:

<u>Assumption Selection Date</u>	<u>July 1, 2007</u>
<i>Funding Interest Rate*</i>	4.25%
<i>2007 Trend Rates (Medical/Rx)</i>	10.00%/11.00%
<i>Ultimate Medical Cost Trend Rate</i>	5.00%/6.00%
<i>Year Ultimate Medical Trend Rate Reached</i>	2012
<i>Annual Salary Increases</i>	4.00%
<i>Projected annual increase in payroll</i>	2.50%

* Reflects current funding policy (assumes no funding).

Changes included in current valuation

A fresh start approach was used.

Accounting for Postretirement Benefits

This report provides the information needed to prepare the footnote in your financial statements related to your postretirement benefit plans. The unfunded actuarial accrued liability and the ARC are developed in the Executive Summary Detail included in this section. For this Fiscal Year / Valuation Report, Section III presents the disclosure information based on estimated contributions made.

Actuarial Certification

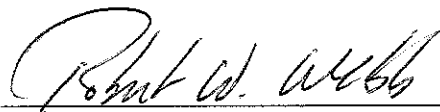
The financial results of the actuarial valuation are summarized in this report. The valuation has been prepared as of July 1, 2007. The detail charts included in this Executive Summary highlight the results of the valuation. Additional information summarizing the census, actuarial assumptions, plan provisions, and a glossary of selected terms used in this study are also included in this report.

The valuation is based on the July 1, 2007 census data and plan information as provided by the employer. We have reviewed both the census and financial data for reasonableness, but have not completed an independent audit of the information.

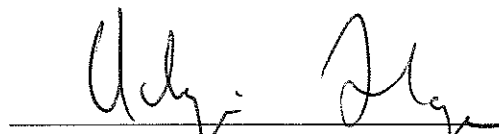
All costs, liabilities, and other factors under the plan were determined in accordance with generally accepted actuarial principles and procedures. The calculations are consistent and undertaken with our understanding of Statement of Governmental Accounting Standards Number 45 (GAS 45). In our opinion, the actuarial assumptions are reasonable, taking in account the experience of the plan and reasonable expectations and, individually represent our best estimate of the anticipated experience under the plan.

I have no relationship with the employer or the plan that would objectively impair, or appear to impair, my ability to perform the work detailed in this report.

I certify that I am a member of the American Academy of Actuaries and meet its Qualification Standards to provide an actuarial opinion in accordance with GASB 45.



Robert W. Webb, FSA, EA, MAAA
Vice President and Actuary


Adeniyi Olaiya, ASA, MAAA
Actuary

EXECUTIVE SUMMARY DETAIL

GASB 45 LIABILITIES, ANNUAL REQUIRED CONTRIBUTION AND ANNUAL OPEB COST
July 1, 2007 COMBINED RESULTS

(Actuarial Cost Method – Entry Age Normal)

July 1, 2007

<i>I. Present value of Future benefits</i>	
A. Retirees/Disableds	\$34,556,977
B. Active Employees	<u>\$67,266,496</u>
C. Total	\$101,823,473
<i>II. Unfunded Actuarial Accrued Liability (UAAL)</i>	
A. Retirees	\$34,556,977
B. Active Employees	<u>\$34,433,235</u>
C. Total	\$68,990,212
<i>III. Annual Required Contribution (ARC)</i>	
A. Normal Cost	\$2,617,231
B. Supplemental Cost	
(i) Funding liability	\$68,990,212
(ii) Actuarial Assets	\$0
(iii) Unfunded Actuarial Accrued Liability [(i) - (ii)]	\$68,990,212
(iv) Amortization Period	30.00
(v) Supplemental Cost	\$2,908,177
C. Beginning Of Year Contribution	
[A. + B. (v)]	\$5,525,408
D. Compound Interest to Year End	<u>\$193,642</u>
E. Preliminary ARC	\$5,719,050
[C. + D.]	
<i>IV. Annual Required Contribution (ARC)</i>	\$5,719,050
[III. E.]	
<i>V. Net OPEB Obligation</i>	\$0
<i>VI. Interest on net OPEB Obligation</i>	\$0
<i>VII. Adjustment to ARC</i>	(\$0)
<i>VIII. Annual OPEB Cost (Expense)</i>	\$5,719,050
[III. + IV. - V.]	
<i>IX. Expected Benefit Payments</i>	\$1,938,267
<i>X. Key Actuarial Assumptions</i>	
A. Funding interest Rate	4.25%
B. 2007 Medical / Drug Trend Rate	10.0%/11.0%
C. Ultimate Medical/DrugTrend Rate	5.0%/6.0%
D. Year ultimate Medical Trend rate reached	2012
E. Annual Payroll Increase	2.50%

EXECUTIVE SUMMARY DETAIL

**GASB 45 LIABILITIES, ANNUAL REQUIRED CONTRIBUTION AND ANNUAL OPEB COST
PLAN RESULTS BY AGE**

(Actuarial Cost Method - Entry Age Normal)

	<u>Under 65</u>	<u>Over 65</u>	<u>Total</u>
I. Present value of Future benefits			
A. Retirees/Disableds	\$6,756,892	\$27,800,086	\$34,556,978
B. Active Employees	<u>\$13,253,964</u>	<u>\$54,012,531</u>	<u>\$67,266,495</u>
C. Total	\$20,010,856	\$81,812,617	\$101,823,473
II. Unfunded Actuarial Accrued Liability (UAAL)			
A. Retirees	\$6,756,892	\$27,800,086	\$34,556,978
B. Active Employees	<u>\$6,388,857</u>	<u>\$28,044,377</u>	<u>\$34,433,234</u>
C. Total	\$13,145,749	\$55,844,463	\$68,990,212
III. Annual Required Contribution (ARC)			
A. Normal Cost	\$519,179	\$2,098,050	\$2,617,229
B. Supplemental Cost			
(i) Funding liability	\$13,145,749	\$55,844,463	\$68,990,212
(ii) Actuarial Assets	\$0	\$0	\$0
(iii) Unfunded Actuarial Accrued Liability [(i) - (ii)]	\$13,145,749	\$55,844,463	\$68,990,212
(iv) Amortization Period	30.00	30.00	30.00
(v) Supplemental Cost	\$554,139	\$2,354,038	\$2,908,177
C. Beginning Of Year Contribution [A. + B. (v)]	\$1,073,320	\$4,452,088	\$5,525,408
D. Compound Interest to Year End	<u>\$23,775</u>	<u>\$169,867</u>	<u>\$193,642</u>
E. Preliminary ARC [C. + D.]	\$1,097,095	\$4,621,955	\$5,719,050
IV. Annual Required Contribution (ARC) [III. E.]	\$1,097,095	\$4,621,955	\$5,719,050
V. Net OPEB Obligation	\$0	\$0	\$0
VI. Interest on net OPEB Obligation	\$0	\$0	\$0
VII. Adjustment to ARC	(\$0)	(\$0)	(\$0)
VIII. Annual OPEB Cost (Expense) [III. + IV. - V.]	\$1,097,095	\$4,621,955	\$5,719,050
IX. Expected Benefit Payments	\$1,027,845	\$910,422	\$1,938,267

EXECUTIVE SUMMARY DETAIL

**GASB 45 LIABILITIES, ANNUAL REQUIRED CONTRIBUTION AND ANNUAL OPEB COST
PLAN RESULTS BY BENEFIT TYPE**

(Actuarial Cost Method - Entry Age Normal)

	<u>Medical</u>	<u>Medicare Part B</u>	<u>Life</u>	<u>Total</u>
I. Present value of Future benefits				
A. Retirees/Disableds	\$31,761,900	\$2,596,479	\$198,598	\$34,556,977
B. Active Employees	<u>\$60,780,756</u>	<u>\$6,323,779</u>	<u>\$161,961</u>	<u>\$67,266,496</u>
C. Total	\$92,542,656	\$8,920,258	\$360,559	\$101,823,473
II. Unfunded Actuarial Accrued Liability (UAAL)				
A. Retirees	\$31,761,900	\$2,596,479	\$198,598	\$34,556,977
B. Active Employees	<u>\$31,043,369</u>	<u>\$3,293,657</u>	<u>\$96,209</u>	<u>\$34,433,235</u>
C. Total	\$62,805,269	\$5,890,136	\$294,807	\$68,990,212
III. Annual Required Contribution (ARC)				
A. Normal Cost	\$2,373,062	\$237,869	\$6,300	\$2,617,231
B. Supplemental Cost				
(i) Funding liability	\$62,805,269	\$5,890,136	\$294,807	\$68,990,212
(ii) Actuarial Assets	\$0	\$0	\$0	\$0
(iii) Unfunded Actuarial Accrued Liability [(i) - (ii)]	\$62,805,269	\$5,890,136	\$294,807	\$68,990,212
(iv) Amortization Period	30.00	30.00	30.00	30.00
(v) Supplemental Cost	\$2,647,460	\$248,290	\$12,427	\$2,908,177
C. Beginning Of Year Contribution [A. + B. (v)]	\$5,020,522	\$486,159	\$18,727	\$5,525,408
D. Compound Interest to Year End	<u>\$173,713</u>	<u>\$19,341</u>	<u>\$588</u>	<u>\$193,642</u>
E. Preliminary ARC [C. + D.]	\$5,194,235	\$505,500	\$19,315	\$5,719,050
IV. Annual Required Contribution (ARC) [II. E.]	\$5,194,235	\$505,500	\$19,315	\$5,719,050
V. Net OPEB Obligation	\$0	\$0	\$0	\$0
VI. Interest on net OPEB Obligation	\$0	\$0	\$0	\$0
VII. Adjustment to ARC	(\$0)	(\$0)	(\$0)	(\$0)
VIII. Annual OPEB Cost (Expense) [III. + IV. - V.]	\$5,194,235	\$505,500	\$19,315	\$5,719,050
IX. Expected Benefit Payments	\$1,866,339	\$62,148	\$9,780	\$1,938,267

EXECUTIVE SUMMARY DETAIL

**GASB 45 LIABILITIES, ANNUAL REQUIRED CONTRIBUTION AND ANNUAL OPEB COST
PLAN RESULTS BY ENTITY**

(Actuarial Cost Method - Entry Age Normal)

	<i>Amherst Elementary Schools</i>	<i>Town of Amherst</i>	<i>Total</i>
I. Present value of Future benefits			
A. Retirees/Disableds	\$15,716,036	\$18,840,941	\$34,556,977
B. Active Employees	<u>\$28,030,314</u>	<u>\$39,236,182</u>	<u>\$67,266,496</u>
C. Total	\$43,746,350	\$58,077,123	\$101,823,473
II. Unfunded Actuarial Accrued Liability (UAAL)			
A. Retirees	\$15,716,036	\$18,840,941	\$34,556,977
B. Active Employees	<u>\$14,115,707</u>	<u>\$20,317,528</u>	<u>\$34,433,235</u>
C. Total	\$29,831,743	\$39,158,469	\$68,990,212
III. Annual Required Contribution (ARC)			
A. Normal Cost	\$1,202,186	\$1,415,045	\$2,617,231
B. Supplemental Cost			
(i) Funding liability	\$29,831,743	\$39,158,469	\$68,990,212
(ii) Actuarial Assets	\$0	\$0	\$0
(iii) Unfunded Actuarial Accrued Liability [(i) - (ii)]	\$29,831,743	\$39,158,469	\$68,990,212
(iv) Amortization Period	30.00	30.00	
(v) Supplemental Cost	\$1,257,511	\$1,650,666	\$2,908,177
C. Beginning Of Year Contribution [A. + B. (v)]	\$2,459,697	\$3,065,711	\$5,525,408
D. Compound Interest to Year End	<u>\$84,957</u>	<u>\$108,685</u>	<u>\$193,642</u>
E. Preliminary ARC [C. + D.]	\$2,544,654	\$3,174,396	\$5,719,050
IV. Annual Required Contribution (ARC) [II. E.]	\$2,544,654	\$3,174,396	\$5,719,050
V. Net OPEB Obligation	\$0	\$0	\$0
VI. Interest on net OPEB Obligation	\$0	\$0	\$0
VII. Adjustment to ARC	(\$0)	(\$0)	(\$0)
VIII. Annual OPEB Cost (Expense) [III. + IV. - V.]	\$2,544,654	\$3,174,396	\$5,719,050
IX. Expected Benefit Payments	\$921,433	\$1,016,834	\$1,938,267

Section II

Census Information

This section details statistics related to the participants in the postretirement benefit plan.

CENSUS INFORMATION – A.

EMPLOYEE COUNTS

		<u>Actives</u>	<u>Retirees</u>	<u>Total</u>
Amherst Elementary Schools	Male	46	27	73
	Female	175	93	268
	Total	221	120	341
Town of Amherst	Male	158	63	221
	Female	78	34	112
	Total	236	97	333

COUNTS BY AGE AND ELIGIBILITY STATUS

ACTIVE EMPLOYEES :

<u>Age</u>	<u>Currently Eligible to Retire</u>	<u>Not Currently Eligible to Retire</u>	<u>Total</u>
29 and under	N/A	48	48
30 - 34	N/A	50	50
35 - 39	N/A	54	54
40 - 44	3	46	49
45 - 49	11	63	74
50 - 54	27	60	87
55 - 59	48	22	70
60 - 64	18	4	22
65 and over	2	1	3
Total	109	348	457

CURRENT RETIREES:

<u>Age</u>	<u>Retirees*</u>	<u>Spouses</u>	<u>Total</u>
54 and under	8	10	18
55 - 59	28	21	49
60 - 64	52	23	75
65 - 69	31	14	45
70 - 74	33	9	42
75 - 79	28	11	39
80 and over	37	8	45
Total	217	96	313

* Retirees includes surviving spouses

CENSUS INFORMATION – B.

AVERAGE AGE AND SERVICE

ACTIVE EMPLOYEES: As of July 1, 2007

A. Average Age at Hire

Males	31.4
Females	35.6
Total	33.8

B. Average Service

Males	11.5
Females	11.4
Total	11.4

C. Average Current Age

Males	42.9
Females	47.0
Total	45.2

CURRENT RETIREES

D. Average Current Age

Males	66.9
Females	70.9
Total	69.3

Section III

Financial Statement Disclosure

This section provides the required information and notes to the Financial Statements
For the fiscal year ending June 30, 2008.

FINANCIAL STATEMENT DISCLOSURE

The GASB standard on accounting for postretirement benefits other than pensions requires the following disclosures in the financial statements with regard to the retiree benefit liability:

1.) A BRIEF DESCRIPTION OF THE RETIREE MEDICAL AND LIFE INSURANCE PLAN:

Type of Coverage:

Medical Insurance:

Town: Self insured HMO and PPO through BlueCross/BlueShield and Harvard Pilgrim.

GIC: Fully insured Fallon HMO, Health New England HMO and Commonwealth Indemnity Plan, through the Commonwealth of Massachusetts Group Insurance Commission

Life Insurance:

Town: \$2,000

GIC: \$2,000

Medicare Reimbursement:

Town: Yes

GIC: No

Eligibility:

Town: Age 55 with at least 10 years of service or 20 years of service.

GIC: Age 55 with at least 10 years of service or 20 years of service.

Cost Sharing:

Medical:

Town: The retiree contributes 25% to the PPO and Medicare plans. The retiree pays approximately 18% to the Network Blue New England HMO and approximately 19% to the Harvard Pilgrim HMO 90.

For further breakdown of the Town's cost sharing refer to Section VI, Plan Provisions.

GIC: The retiree pays 10% of the medical insurance premium.

Life Insurance:

Town: The retiree pays \$2.16 annually

GIC: The retiree pays \$10.80 annually

Medicare Part B:

Town: The town pays 75% of the premium for the retiree and 50% for the surviving spouse.

GIC: The retiree pays the full premium of the Medicare Part B premium

Spouse Coverage:

Town: Yes

GIC: Yes

Surviving Spouse Coverage:

Town: Yes

GIC: No

FINANCIAL STATEMENT DISCLOSURE (cont.)

2.) GASB 45 DISCLOSURE REQUIREMENTS – ESTIMATED

ANNUAL REPORT DISCLOSURE FOR THE FISCAL YEAR ENDED June 30, 2008 estimated
Town of Amherst and Amherst Elementary Schools, MA - Combined - GASB 45

	07/01/07 - 06/30/08	07/01/08 - 06/30/09
A. Annual OPEB Cost and Net OPEB Obligation		
1. Annual Required Contribution (ARC)	\$5,719,049	\$6,024,919
2. Interest on net OPEB Obligation	\$0	\$160,683
3. Adjustment to ARC	\$0	(\$163,594)
4. Annual OPEB Cost (Expense)	\$5,719,049	\$6,022,008
5. Contribution made (assumed end of year) *	\$1,938,267	\$2,139,934
6. Increase in net OPEB Obligation	\$3,780,782	\$3,882,074
7. Net OPEB Obligation - beginning of year	\$0	\$3,780,782
8. Net OPEB Obligation - end of year	\$3,780,782	\$7,662,856

* Contribution made was assumed to equal Expected Benefit Payments

The Town of Amherst and the Amherst Elementary School's annual OPEB Cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for fiscal year 2007/08 are as follows:

Fiscal Year Ending	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
06/30/2008	\$5,719,049	33.9%	\$3,780,782
06/30/2009	\$6,022,008	35.5%	\$7,662,856

B. Funded Status and Funding Progress

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (UAAL) (b - a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll (AAL) ((b - a) / c)
07/01/2007	\$0	\$68,990,212	\$68,990,212	0.0%	N/A	N/A

C. Methods and Assumptions

- Funding Interest Rate	4.25%
- 2007 Medical Trend Rate	10.00%
- Ultimate Medical Trend Rate	5.00%
- Year Ultimate Medical Trend Rate Reached	2012
- Actuarial Cost Method	Entry Age Normal
- The remaining amortization period at June 30, 2008	29 years

Section IV

Actuarial Assumptions And Methodology

The following pages detail the assumptions used in the calculations.

ACTUARIAL ASSUMPTIONS AND METHODOLOGY

1. **Funding Interest Rate:** An interest rate of 4.25% was used. A 7.00% interest rate was used in Appendix-III to show the potential impact of advance funding the plan in accordance with GASB 45.

2. **Mortality:** The mortality rates are from the RP-2000 Combined Mortality Table projected to 2007 with projection scale AA.

3. **Disability Rates:** None assumed

4. **Termination Rates:**

<u>Age</u>	<u>Years of Service</u>		
	0	5	10+
20	.180%	.000%	.000%
30	.150%	.090%	.041%
40	.125%	.070%	.031%
50	.100%	.048%	.021%

5. **Health Care Trend Rates:** It was assumed that health care costs would increase in accordance with the trend rates in the following table:

<u>Year</u>	<u>Medical Rates</u>	<u>Drug Rates</u>
2007	10.0%	11.0%
2008	9.0%	10.0%
2009	8.0%	9.0%
2010	7.0%	8.0%
2011	6.0%	7.0%
2012+	5.0%	6.0%

6. **Retirement Rates:**

<u>Age</u>	<u>Male</u>	<u>Female</u>
45	0.0%	0.0%
50	1.5%	3.0%
55	4.0%	5.0%
60	8.0%	8.0%
65	25.0%	25.0%
70	100%	100%

ACTUARIAL ASSUMPTIONS AND METHODOLOGY (cont.)

7. **Participation Rate:** It was assumed that 100% of the current active town employees and 90% of the current active school employees covered under the town plan on the day before retirement would enroll in the retiree medical plan upon retirement.

It was assumed that 65% of the current active school employees covered under the town plan on the day before retirement would enroll in a GIC plan upon retirement.

8. **Percent Married:** It was assumed that 55% of the male and 30% of the female employees who elect retiree health care coverage for themselves would also elect coverage for their spouse upon retirement. It was assumed that spouses would be the same age as the retiree. For current retirees, actual census information was used.

9. **Actuarial Value of Assets:** N/A

10. **Per Capita Claims Cost:** Conventional insured equivalent premiums were age-graded on the current participants in the Town's Medical plan. Further details of the annual per capita claims cost is featured in Section V of the report.

The premiums paid to the GIC plans are independent of the Town's experience and demographic profile, and are expected to change consistent with a community rated plan. Thus we have applied the premiums with no additional adjustments other than future trend increases.

11. **Participant Salary Increases:** 4.00% annually

12. **Payroll Growth Rate:** 2.50% annually

ACTUARIAL ASSUMPTIONS AND METHODOLOGY (cont.)

ACTUARIAL COST METHOD

An Actuarial Cost Method develops an orderly allocation of the actuarial present value of benefits payments over the working lifetime of the participants in the plan. The actuarial present value of benefits allocated to a particular fiscal year is called the Normal Cost. The actuarial present value of benefits allocated to all periods prior to a valuation date is called the Actuarial Accrued Liability. The Unfunded Actuarial Accrued Liability is amortized over future years in accordance with the employer's established accounting policy.

Six Actuarial Cost Methods are acceptable for use under GASB 45: entry age, frozen entry age, attained age, frozen attained age, projected unit credit, and aggregate.

The amortization of the unfunded actuarial accrued liability may be determined in level dollar amounts or as a level percentage of projected payroll of active plan members. The total unfunded actuarial accrued liability may be amortized as one amount, or components of the total may be separately amortized. The equivalent single amortization period for all components combined may not exceed the maximum acceptable period of 30 years.

ADDITIONAL COMMENTS

The values in this GASB 45 valuation represent a closed group and do not reflect new entrants after the census collection date.

Section V

Representative Claim Costs

Based on combined actual claims and premium experience, age-related representative per capita claims cost were developed. This section shows the development of these costs.

REPRESENTATIVE 2007 PER CAPITA MEDICAL CLAIM COSTS FOR TOWN PLAN

I. DEVELOPMENT OF PER CAPITA RETIREE CLAIM COSTS

\$11,016,002	Total Estimated Premium
\$1,377,431	Estimated Children's Premium
\$9,638,571	Employer Primary Premium Based Claims
<u>\$693,508</u>	Medicare Primary Premium Based Claims
\$10,332,079	Total Premium Based Claims
\$9,836	Retiree (Pre-65) Average Per Capita Claim
\$5,175	Retiree (Post-65) Average Per Capita Claim

ALL ACTIVE PARTICIPANTS EMPLOYER PRIMARY

<u>Age Bracket</u>	<u>Number of Males</u>	<u>Number of Females</u>	<u>Male Aging Factor</u>	<u>Female Aging Factor</u>	<u>Aged (M) Average Claims</u>	<u>Aged (F) Average Claims</u>	<u>Age Related Claims</u>
24 & under	9	6	0.549	1.312	\$2,601	\$6,215	\$60,694
25 - 29	33	59	0.591	1.312	\$2,800	\$6,215	\$459,061
30 - 34	49	69	0.712	1.312	\$3,373	\$6,215	\$594,087
35 - 39	71	75	0.850	1.312	\$4,026	\$6,215	\$751,988
40 - 44	67	79	1.000	1.312	\$4,737	\$6,215	\$808,348
45 - 49	74	115	1.193	1.456	\$5,651	\$6,897	\$1,211,338
50 - 54	106	113	1.441	1.599	\$6,826	\$7,574	\$1,579,450
55 - 59	102	104	1.753	1.740	\$8,304	\$8,242	\$1,704,188
60 - 64	46	30	2.102	1.968	\$9,957	\$9,322	\$737,692
65 - 69	<u>8</u>	<u>3</u>	2.316	2.168	\$10,971	\$10,270	<u>\$118,575</u>
Employer Primary Sub.	565	653					\$8,025,422

ALL RETIREE PARTICIPANTS EMPLOYER PRIMARY

<u>Age Bracket</u>	<u>Number of Males</u>	<u>Number of Females</u>	<u>Male Aging Factor</u>	<u>Female Aging Factor</u>	<u>Aged (M) Average Claims</u>	<u>Aged (F) Average Claims</u>	<u>Age Related Claims</u>
44 & under	1	1	1.000	1.312	\$4,737	\$6,215	\$10,952
45 - 49	0	3	1.193	1.456	\$5,651	\$6,897	\$20,691
50 - 54	3	11	1.441	1.599	\$6,826	\$7,574	\$103,796
55 - 59	24	23	1.753	1.740	\$8,304	\$8,242	\$388,864
60 - 64	23	23	2.102	1.968	\$9,957	\$9,322	\$443,424
65 - 69	5	9	2.316	2.168	\$10,971	\$10,270	\$147,281
70 - 74	3	1	2.557	2.396	\$12,112	\$11,350	\$47,687
75 - 79	1	10	2.769	2.593	\$13,117	\$12,283	\$135,945
80 - 84	4	6	2.910	2.724	\$13,784	\$12,903	\$132,558
85 - 89	2	7	3.059	2.864	\$14,490	\$13,567	\$123,947
90 & Over	<u>1</u>	<u>3</u>	3.215	3.010	\$15,229	\$14,258	<u>\$58,004</u>
Employer Primary Sub.	67	97					\$1,613,149

ALL RETIREE PARTICIPANTS MEDICARE PRIMARY

<u>Age Bracket</u>	<u>Number of Males</u>	<u>Number of Females</u>	<u>Male Aging Factor</u>	<u>Female Aging Factor</u>	<u>Aged (M) Average Claims</u>	<u>Aged (F) Average Claims</u>	<u>Age Related Claims</u>
65 - 69	25	19	2.316	2.168	\$4,759	\$4,454	\$203,598
70 - 74	12	17	2.557	2.396	\$5,254	\$4,923	\$146,734
75 - 79	15	23	2.769	2.593	\$5,689	\$5,328	\$207,876
80 - 84	8	8	2.910	2.724	\$5,979	\$5,597	\$92,607
85 - 89	3	3	3.059	2.864	\$6,285	\$5,884	\$36,509
90 & Over	<u>0</u>	<u>1</u>	3.215	3.010	\$6,606	\$6,184	<u>\$6,184</u>
Medicare Primary Sub.	63	71					\$693,508
Retiree Subtotal	<u>130</u>	<u>168</u>					<u>\$2,306,657</u>
Grand Total	<u>695</u>	<u>821</u>					<u>\$10,332,079</u>

REPRESENTATIVE 2007 PER CAPITA MEDICAL CLAIM COSTS FOR TOWN PLAN

II. PREMIUM BASED CLAIM BUCKETS:

<u>SINGLE COVERAGE</u>	<u>People</u>	<u>Premium</u>	<u>Annualized</u>
BHMO	31	\$543.81	\$202,297
BPPO	70	\$583.09	\$489,796
HHMO	46	\$509.54	\$281,266
HPPO	225	\$604.23	\$1,631,421
BPPOmed	38	\$413.43	\$188,524
HHMOmed	18	\$411.52	\$88,888
	428		\$2,882,192
<u>FAMILY COVERAGE</u>			
BHMO	41	\$1,300.61	\$639,900
BPPO	72	\$1,394.53	\$1,204,874
HHMO	66	\$1,218.64	\$965,163
HPPO	323	\$1,445.12	\$5,601,285
BPPOmed	28	\$826.86	\$277,825
HHMOmed	14	\$823.04	\$138,271
	544		\$8,827,318
TOTAL	972		\$11,709,510

Section VI

Plan Provisions

This section details the plan provisions for the postretirement medical insurance benefit plan.

PLAN PROVISIONS
RETIREE MEDICAL AND LIFE INSURANCE PLANS

a. Plan Types:

Medical:

Town: Self Insured HMO and PPO through BlueCross/BlueShield and Harvard Pilgrim.

GIC: Fully insured Fallon HMO, Health New England HMO and Commonwealth Indemnity Plan, through the Commonwealth of Massachusetts Group Insurance Commission

Life Insurance:

Town: \$2,000

GIC: \$2,000

Medicare Reimbursement:

Town: Yes

GIC: No

b. Eligibility:

Town: Age 55 with at least 10 years of service or 20 years of service.

GIC: Age 55 with at least 10 years of service or 20 years of service.

c. Benefit/Cost Sharing:

Medical

Town:

Retirees annual contribution:

		Total Premium	Employee Contribution	Percent Employee Contributes
Network Blue				
New England	Individual	\$6,525.72	\$1,186.32	18%
HMO	Family	\$15,607.32	\$2,837.28	18%
Network Blue	Individual	\$6,997.08	\$1,749.36	25%
New England	Family	\$16,734.36	\$4,183.68	25%
PPO				
Harvard Pilgrim	Individual	\$6,114.48	\$1,186.32	19%
HMO 90	Family	\$14,623.68	\$2,837.28	19%
Harvard Pilgrim	Individual	\$7,250.76	\$1,799.52	25%
PPO	Family	\$17,341.44	\$4,303.68	25%
Medicare Plans	Individual	\$4,961.16	\$1,240.44	25%
BlueCross/BlueShield	Family	\$9,922.32	\$2,480.40	25%
MEDEX				
Harvard Pilgrim	Individual	\$4,938.24	\$1,217.40	25%
Enhanced 65	Family	\$9,876.48	\$2,469.36	25%

PLAN PROVISIONS (cont.)

***c. Benefit/Cost Sharing
(continued:)***

Medical

GIC:

The retiree pays 10% of the medical insurance premium shown below.

Non-Medicare Plans

Commonwealth Indemnity Plan without CIC

Individual \$8,955.60

Family \$21,523.20

Fallon Community Health Select Care HMO

Individual \$5,191.20

Family \$12,315.60

Health New England HMO

Individual \$4,737.60

Family \$11,736.00

Medicare Plans

Commonwealth Indemnity Plan

Individual \$4,046.40

Dependent \$4,046.40

Health New England MedRate

Individual \$4,756.80

Dependent \$ \$4,756.80

Life Insurance:

Town: The retiree pays \$2.16 annually

GIC: The retiree pays \$10.80 annually

Medicare Part B:

Town: The town pays 75% of the premium for the retiree and 50% for the surviving spouse.

GIC: The retiree pays the full premium of the Medicare Part B premium

d. Spouse Benefit:

Town: Yes

GIC: Yes

e. Surviving Spouse Benefit:

Town: Yes

GIC: No

f. Drug Plan:

Town: CanaRX mail order program where the town pays the entire expense of the drugs. Used \$425.88 as an estimated annual cost per person.

GIC: None

***g. Annual Life
Premium:***

Town: \$8.64

GIC: \$64.08

Section VII
Appendices

APPENDIX - I.

ACTIVE EMPLOYEE BY AGE AND SERVICE

AS OF JULY 1, 2007

Age	Service									Total
	0 - 4	5 - 9	10 - 14	15 - 19	20 - 24	25 - 29	30 - 34	35 - 39	40+	
0 - 19	0	0	0	0	0	0	0	0	0	0
20 - 24	9	0	0	0	0	0	0	0	0	9
25 - 29	33	6	0	0	0	0	0	0	0	39
30 - 34	28	19	3	0	0	0	0	0	0	50
35 - 39	20	20	14	0	0	0	0	0	0	54
40 - 44	9	18	9	10	1	2	0	0	0	49
45 - 49	16	21	15	11	4	6	1	0	0	74
50 - 54	10	16	14	20	11	9	7	0	0	87
55 - 59	6	16	13	12	7	8	5	3	0	70
60 - 64	2	2	2	3	4	3	4	2	0	22
65 - 69	0	0	0	1	0	0	0	0	0	1
70 - 74	0	1	0	1	0	0	0	0	0	2
75 - 79	0	0	0	0	0	0	0	0	0	0
80 - 84	0	0	0	0	0	0	0	0	0	0
85 and Over	0	0	0	0	0	0	0	0	0	0
Total	133	119	70	58	27	28	17	5	0	457

APPENDIX - II

ALTERNATIVE ACTUARIAL COST AND AMORTIZATION METHODS

(Assumes a 4.25% Return on Supporting Assets)

	Entry Age	Frozen Entry Age	Attained Age	Frozen Attained Age	Projected Unit Credit	Aggregate
1. Projected Benefit Payments	\$ 327,263,214	\$ 327,263,214	\$ 327,263,214	\$ 327,263,214	\$ 327,263,214	\$ 327,263,214
2. Present Value of Projected Benefit Payments	\$ 101,823,473	\$ 101,823,473	\$ 101,823,473	\$ 101,823,473	\$ 101,823,473	\$ 101,823,473
3. Actuarial Accrued Liability (AAL)	\$ 68,990,212	\$ 68,990,212	\$ 78,475,645	\$ 78,475,645	\$ 78,475,645	\$ -
4. Present Value of Future Normal Costs (2.-3.)	\$ 32,833,261	\$ 32,833,261	\$ 23,347,828	\$ 23,347,828	\$ 23,347,828	\$ 101,823,473
5. Assets	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
6. Unfunded UAAL	\$ 68,990,212	\$ 68,990,212	\$ 78,475,645	\$ 78,475,645	\$ 78,475,645	\$ -
7. Annual Required Contribution						
a. Normal Cost	\$ 2,617,231	\$ 2,591,130	\$ 1,840,900	\$ 1,840,900	\$ 2,863,061	\$ 8,025,567
b. Amortization of UAAL (30 yrs Level % of pay)	\$ 2,908,177	\$ 2,908,177	\$ 3,308,021	\$ 3,308,021	\$ 3,308,022	\$ -
c. Interest	\$ 193,642	\$ 192,532	\$ 177,641	\$ 177,641	\$ 221,084	\$ 299,898
d. Total	\$ 5,719,050	\$ 5,691,839	\$ 5,326,562	\$ 5,326,562	\$ 6,392,167	\$ 8,325,465
8. Current Year Benefit Payment	\$ 1,938,267	\$ 1,938,267	\$ 1,938,267	\$ 1,938,267	\$ 1,938,267	\$ 1,938,267
9. Alternate Amortization of UAAL:						
a. 30 Yrs Level Dollar	\$ 3,944,073	\$ 3,944,073	\$ 4,486,341	\$ 4,486,341	\$ 4,486,341	\$ -
b. 30 Yrs Level % of Pay	\$ 2,908,177	\$ 2,908,177	\$ 3,308,021	\$ 3,308,021	\$ 3,308,021	\$ -
c. 25 Yrs Level Dollar	\$ 4,348,833	\$ 4,348,833	\$ 4,946,753	\$ 4,946,753	\$ 4,946,753	\$ -
d. 25 Yrs Level % of Pay	\$ 3,356,159	\$ 3,356,159	\$ 3,817,596	\$ 3,817,596	\$ 3,817,596	\$ -
e. 20 Yrs Level Dollar	\$ 4,977,873	\$ 4,977,873	\$ 5,662,278	\$ 5,662,278	\$ 5,662,278	\$ -
f. 20 Yrs Level % of Pay	\$ 4,032,145	\$ 4,032,145	\$ 4,586,522	\$ 4,586,522	\$ 4,586,522	\$ -
g. 15 Yrs Level Dollar	\$ 6,056,608	\$ 6,056,608	\$ 6,889,328	\$ 6,889,328	\$ 6,889,328	\$ -
h. 15 Yrs Level % of Pay	\$ 5,164,170	\$ 5,164,170	\$ 5,874,190	\$ 5,874,190	\$ 5,874,190	\$ -
10. Alternate Annual Required Contribution						
a. 30 Yrs Level Dollar	\$ 6,798,971	\$ 6,771,761	\$ 6,554,961	\$ 6,554,961	\$ 7,620,563	\$ 8,325,465
b. 30 Yrs Level % of Pay	\$ 5,719,050	\$ 5,691,839	\$ 5,326,562	\$ 5,326,562	\$ 6,392,167	\$ 8,325,465
c. 25 Yrs Level Dollar	\$ 7,220,934	\$ 7,193,723	\$ 7,034,940	\$ 7,034,940	\$ 8,100,543	\$ 8,325,465
d. 25 Yrs Level % of Pay	\$ 6,186,071	\$ 6,158,861	\$ 5,857,794	\$ 5,857,794	\$ 6,923,397	\$ 8,325,465
e. 20 Yrs Level Dollar	\$ 7,876,708	\$ 7,849,497	\$ 7,780,875	\$ 7,780,875	\$ 8,846,478	\$ 8,325,465
f. 20 Yrs Level % of Pay	\$ 6,890,786	\$ 6,863,576	\$ 6,659,399	\$ 6,659,399	\$ 7,725,004	\$ 8,325,465
g. 15 Yrs Level Dollar	\$ 9,001,289	\$ 8,974,079	\$ 9,060,075	\$ 9,060,075	\$ 10,125,677	\$ 8,325,465
h. 15 Yrs Level % of Pay	\$ 8,070,922	\$ 8,043,712	\$ 8,001,793	\$ 8,001,793	\$ 9,067,396	\$ 8,325,465

APPENDIX - III

ALTERNATIVE ACTUARIAL COST AND AMORTIZATION METHODS

(Assumes a 7.00% Return on Supporting Assets)

	Entry Age	Frozen Entry Age	Attained Age	Frozen Attained Age	Projected Unit Credit	Aggregate
1. Projected Benefit Payments	\$ 327,263,214	\$ 327,263,214	\$ 327,263,214	\$ 327,263,214	\$ 327,263,214	\$ 327,263,214
2. Present Value of Projected Benefit Payments	\$ 59,472,976	\$ 59,472,976	\$ 59,472,976	\$ 59,472,976	\$ 59,472,976	\$ 59,472,976
3. Actuarial Accrued Liability (AAL)	\$ 46,840,277	\$ 46,840,277	\$ 49,665,320	\$ 49,665,320	\$ 49,665,320	\$ -
4. Present Value of Future Normal Costs (2.-3.)	\$ 12,632,699	\$ 12,632,699	\$ 9,807,656	\$ 9,807,656	\$ 9,807,656	\$ 59,472,976
5. Assets	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
6. Unfunded UAAL	\$ 46,840,277	\$ 46,840,277	\$ 49,665,320	\$ 49,665,320	\$ 49,665,320	\$ -
7. Annual Required Contribution						
a. Normal Cost	\$ 1,291,111	\$ 1,241,977	\$ 964,581	\$ 964,581	\$ 1,362,450	\$ 5,850,531
b. Amortization of UAAL (30 yrs Level % of pay)	\$ 2,719,197	\$ 2,719,197	\$ 2,883,198	\$ 2,883,198	\$ 2,883,199	\$ -
c. Interest	\$ 212,882	\$ 209,443	\$ 201,505	\$ 201,505	\$ 229,357	\$ 341,698
d. Total	\$ 4,223,190	\$ 4,170,617	\$ 4,049,284	\$ 4,049,284	\$ 4,475,006	\$ 6,192,229
8. Current Year Benefit Payment	\$ 1,938,267	\$ 1,938,267	\$ 1,938,267	\$ 1,938,267	\$ 1,938,267	\$ 1,938,267
9. Alternate Amortization of UAAL:						
a. 30 Yrs Level Dollar	\$ 3,527,747	\$ 3,527,747	\$ 3,740,514	\$ 3,740,514	\$ 3,740,514	\$ -
b. 30 Yrs Level % of Pay	\$ 2,719,197	\$ 2,719,197	\$ 2,883,198	\$ 2,883,198	\$ 2,883,198	\$ -
c. 25 Yrs Level Dollar	\$ 3,756,438	\$ 3,756,438	\$ 3,982,997	\$ 3,982,997	\$ 3,982,997	\$ -
d. 25 Yrs Level % of Pay	\$ 2,991,922	\$ 2,991,922	\$ 3,172,371	\$ 3,172,371	\$ 3,172,371	\$ -
e. 20 Yrs Level Dollar	\$ 4,132,141	\$ 4,132,141	\$ 4,381,360	\$ 4,381,360	\$ 4,381,360	\$ -
f. 20 Yrs Level % of Pay	\$ 3,416,732	\$ 3,416,732	\$ 3,622,803	\$ 3,622,803	\$ 3,622,803	\$ -
g. 15 Yrs Level Dollar	\$ 4,806,365	\$ 4,806,365	\$ 5,096,248	\$ 5,096,248	\$ 5,096,248	\$ -
h. 15 Yrs Level % of Pay	\$ 4,146,584	\$ 4,146,584	\$ 4,396,674	\$ 4,396,674	\$ 4,396,674	\$ -
10. Alternate Annual Required Contribution						
a. 30 Yrs Level Dollar	\$ 5,088,359	\$ 5,035,765	\$ 4,966,612	\$ 4,966,612	\$ 5,392,332	\$ 6,192,229
b. 30 Yrs Level % of Pay	\$ 4,223,190	\$ 4,170,617	\$ 4,049,284	\$ 4,049,284	\$ 4,475,004	\$ 6,192,229
c. 25 Yrs Level Dollar	\$ 5,333,038	\$ 5,280,465	\$ 5,226,069	\$ 5,226,069	\$ 5,651,789	\$ 6,192,229
d. 25 Yrs Level % of Pay	\$ 4,515,006	\$ 4,462,433	\$ 4,358,699	\$ 4,358,699	\$ 4,784,419	\$ 6,192,229
e. 20 Yrs Level Dollar	\$ 5,735,040	\$ 5,682,467	\$ 5,652,318	\$ 5,652,318	\$ 6,078,037	\$ 6,192,229
f. 20 Yrs Level % of Pay	\$ 4,969,553	\$ 4,916,979	\$ 4,840,662	\$ 4,840,662	\$ 5,266,381	\$ 6,192,229
g. 15 Yrs Level Dollar	\$ 6,456,460	\$ 6,403,887	\$ 6,417,248	\$ 6,417,248	\$ 6,842,968	\$ 6,192,229
h. 15 Yrs Level % of Pay	\$ 5,750,494	\$ 5,697,921	\$ 5,668,704	\$ 5,668,704	\$ 6,094,423	\$ 6,192,229

APPENDIX -- IV

PROJECTED BENEFIT PAYMENTS

Year	Amount	Accumulated	Year	Amount	Accumulated	Year	Amount	Accumulated
2007	\$ 1,938,267	\$ 1,938,267	2041	\$ 7,474,048	\$ 177,875,100	2074	\$ 845,272	\$ 323,872,945
2008	\$ 2,139,934	\$ 4,078,201	2042	\$ 7,431,296	\$ 185,306,396	2075	\$ 703,204	\$ 324,576,149
2009	\$ 2,288,241	\$ 6,366,442	2043	\$ 7,395,620	\$ 192,702,016	2076	\$ 578,126	\$ 325,154,275
2010	\$ 2,502,851	\$ 8,869,293	2044	\$ 7,344,624	\$ 200,046,640	2077	\$ 469,905	\$ 325,624,180
2011	\$ 2,684,776	\$ 11,554,069	2045	\$ 7,236,178	\$ 207,282,818	2078	\$ 377,548	\$ 326,001,728
2012	\$ 2,868,598	\$ 14,422,667	2046	\$ 7,108,616	\$ 214,391,434	2079	\$ 299,892	\$ 326,301,620
2013	\$ 3,053,555	\$ 17,476,222	2047	\$ 6,837,299	\$ 221,228,733	2080	\$ 235,600	\$ 326,537,220
2014	\$ 3,193,761	\$ 20,669,983	2048	\$ 6,660,516	\$ 227,889,249	2081	\$ 183,160	\$ 326,720,380
2015	\$ 3,396,438	\$ 24,066,421	2049	\$ 6,516,634	\$ 234,405,883	2082	\$ 141,049	\$ 326,861,429
2016	\$ 3,529,396	\$ 27,595,817	2050	\$ 6,345,243	\$ 240,751,126	2083	\$ 107,645	\$ 326,969,074
2017	\$ 3,715,103	\$ 31,310,920	2051	\$ 6,168,550	\$ 246,919,676	2084	\$ 81,280	\$ 327,050,354
2018	\$ 3,848,212	\$ 35,159,132	2052	\$ 5,990,311	\$ 252,909,987	2085	\$ 60,718	\$ 327,111,072
2019	\$ 4,061,910	\$ 39,221,042	2053	\$ 5,785,607	\$ 258,695,594	2086	\$ 44,834	\$ 327,155,906
2020	\$ 4,308,945	\$ 43,529,987	2054	\$ 5,566,753	\$ 264,262,347	2087	\$ 32,673	\$ 327,188,579
2021	\$ 4,493,660	\$ 48,023,647	2055	\$ 5,342,411	\$ 269,604,758	2088	\$ 23,478	\$ 327,212,057
2022	\$ 4,761,190	\$ 52,784,837	2056	\$ 5,108,475	\$ 274,713,233	2089	\$ 16,624	\$ 327,228,681
2023	\$ 4,964,583	\$ 57,749,420	2057	\$ 4,868,113	\$ 279,581,346	2090	\$ 11,583	\$ 327,240,264
2024	\$ 5,174,030	\$ 62,923,450	2058	\$ 4,619,476	\$ 284,200,822	2091	\$ 7,942	\$ 327,248,206
2025	\$ 5,327,437	\$ 68,250,887	2059	\$ 4,365,070	\$ 288,565,892	2092	\$ 5,356	\$ 327,253,562
2026	\$ 5,512,889	\$ 73,763,776	2060	\$ 4,106,246	\$ 292,672,138	2093	\$ 3,545	\$ 327,257,107
2027	\$ 5,781,280	\$ 79,545,056	2061	\$ 3,843,892	\$ 296,516,030	2094	\$ 2,305	\$ 327,259,412
2028	\$ 6,055,023	\$ 85,600,079	2062	\$ 3,579,238	\$ 300,095,268	2095	\$ 1,468	\$ 327,260,880
2029	\$ 6,289,638	\$ 91,889,717	2063	\$ 3,313,592	\$ 303,408,860	2096	\$ 923	\$ 327,261,803
2030	\$ 6,486,411	\$ 98,376,128	2064	\$ 3,048,830	\$ 306,457,690	2097	\$ 577	\$ 327,262,380
2031	\$ 6,645,312	\$ 105,021,440	2065	\$ 2,786,445	\$ 309,244,135	2098	\$ 356	\$ 327,262,736
2032	\$ 6,776,543	\$ 111,797,983	2066	\$ 2,528,762	\$ 311,772,897	2099	\$ 218	\$ 327,262,954
2033	\$ 6,949,727	\$ 118,747,710	2067	\$ 2,277,636	\$ 314,050,533	2100	\$ 132	\$ 327,263,086
2034	\$ 7,084,675	\$ 125,832,385	2068	\$ 2,034,640	\$ 316,085,173	2101	\$ 76	\$ 327,263,162
2035	\$ 7,208,656	\$ 133,041,041	2069	\$ 1,801,929	\$ 317,887,102	2102	\$ 40	\$ 327,263,202
2036	\$ 7,354,306	\$ 140,395,347	2070	\$ 1,581,078	\$ 319,468,180	2103	\$ 9	\$ 327,263,211
2037	\$ 7,426,294	\$ 147,821,641	2071	\$ 1,373,616	\$ 320,841,796	2104	\$ 2	\$ 327,263,213
2038	\$ 7,537,544	\$ 155,359,185	2072	\$ 1,181,206	\$ 322,023,002	2105	\$ 1	\$ 327,263,214
2039	\$ 7,541,037	\$ 162,900,222	2073	\$ 1,004,671	\$ 323,027,673	2106	\$ -	\$ 327,263,214
2040	\$ 7,500,830	\$ 170,401,052						

APPENDIX – V
GLOSSARY

Actuarial Accrued Liability. The portion of the present value of benefits which is not provided for by future Normal Costs.

Actuarial Present Value of Total Projected Benefits. The present value, as of the valuation date, of future benefit payments expected to be paid to employees, retirees, and covered dependents.

Annual OPEB Cost. The accrual basis measure of the periodic cost of an employer's participation in a defined benefit OPEB Plan.

Annual Required Contributions of the Employer (ARC). The employer's periodic required contributions to a defined benefit OPEB plan, calculated in accordance with the parameters defined in GAS 45.

Investment Return Assumption (Discount Rate). The rate used to adjust a series of future benefit payments to reflect the time value of money.

Healthcare Cost Trend Rate. The rate of change in per capita health claims costs over time as a result of factors such as medical inflation, utilization of healthcare services and technological developments.

Net OPEB Obligation. The cumulative difference since the effective date of GAS 45 between the annual OPEB cost and the employer's contributions to the plan.

Normal Cost. The portion of the Actuarial Present Value of plan benefits which is allocated to a valuation year by the Actuarial Cost Method.

OPEB. Postemployment benefits other than pension benefits.

Pay-As-You-Go. The amount of the benefits paid out to plan participants during the year.

Per Capita Claims Cost. The current average annual cost of providing postretirement health care benefits to one person.